

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE FOR THIRD READING AWARDING A FRANCHISE TO LONE STAR CAB COMPANY TO OPERATE A TAXICAB SERVICE IN THE CITY OF AUSTIN FOR FIVE YEARS; AND WAIVING THE REQUIREMENTS OF SECTION 13-2-309(B) OF THE CITY CODE RELATING TO THE MAXIMUM NUMBER OF PERMITS THAT MAY BE ALLOCATED.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

**PART 1. WAIVER.**

The city council waives Section 13-2-309(B) (*Granting of Taxicab Franchise Under Certain Circumstances*) of the City Code, which limits the maximum number of permits that may be allocated to a franchise to 50.

**PART 2. FRANCHISE GRANT.**

The city council awards a franchise to operate a taxicab business on the streets, alleys, and public ways in the City of Austin to ABCABCO, INC., D/B/A Lone Star Cab Company ("franchise holder") for a five-year period.

**PART 3. FLEET SIZE.**

The franchise holder must maintain an active fleet of at least 25 and not more than 55 taxicabs. This taxicab allocation may be amended during the course of the franchise.

**PART 4. FRANCHISE OWNERSHIP INTEREST REQUIREMENTS.**

(A) At all times during the franchise period or any periods of extension or renewal of the franchise, the company holding the franchise shall be operated as a cooperative venture in which:

- (1) at least 51 percent of the controlling company ownership is held by drivers who drive and own their own taxicabs, drive at least 30 hours per week, and are not corporate officers or directors; and
- (2) at least 25 percent of the controlling company ownership interest is held by individual drivers who drive and own their own taxicab.

1       (B) The franchise holder shall submit a report not later than the 30<sup>th</sup> day after the  
2       end of each calendar quarter that documents the persons who hold ownership  
3       interests in the company with the appropriate calculations that demonstrate  
4       compliance with Subsection (A).

5       **PART 5. COMPUTERIZED DISPATCH SYSTEM.**

6       (A) The franchise holder shall maintain a fully operational Global Information  
7       System (GIS) automated computer dispatch system, dispatch service requests  
8       in an efficient manner, and correct any GIS dispatch system malfunctions  
9       immediately to maintain efficient customer service.

10      (B) The franchise holder shall submit a report not later than the 30<sup>th</sup> day after the  
11      end of each calendar quarter documenting the system status and any system  
12      failures.

13      (C) In the event of a system failure that exceeds four hours, the franchise holder  
14      shall:

15           (1) notify the Public Works Department not later than the first business day  
16           after the system failure; and

17           (2) not later than the fifth business day after a system failure, shall submit a  
18           report documenting the nature and duration of the failure and whether  
19           the franchise holder's back-up radio dispatch communication system  
20           performed during the system failure.

21      **PART 6. COMPLIANCE WITH CITY CODE.**

22           The franchise holder shall comply with the provisions of the City Code relating to  
23           ground transportation services and all amendments to those provisions during the period  
24           of the taxicab franchise, and rules promulgated enforce the code provisions.

25      **PART 7. MAINTENANCE OF RECORDS.**

26           The franchise holder shall maintain complete records of all dispatched calls, all  
27           expenses incurred in connection with the operation of the taxicab service business, and all  
28           revenues derived from the taxicab business.

29      **PART 8. INSPECTION OF RECORDS.**

30           The franchise holder shall permit the Public Works Department to inspect all  
31           records of this franchise in accordance with Section 13-2-306(D) (*Recordkeeping*  
32           *Requirements*) of the City Code.

1       **PART 9. TAXICAB OWNERSHIP, LEASE, OR CONTROL.**

2           The franchise holder shall own, lease, or contract for control of each taxicab used  
3       in the taxicab franchise.

4       **PART 10. ANNUAL FRANCHISE PERMIT FEE.**

5           The franchise holder shall pay an annual franchise permit fee of \$400 for each  
6       vehicle authorized in this franchise to the City of Austin at the office of the Director of  
7       the Public Works Department. This fee may be amended by the city council during the  
8       effective period of the franchise.

9       **PART 11. SUSPENSION.**

10       (A) The city manager may suspend this franchise upon a determination that the  
11       franchise holder has:

12           (1) substantially breached the terms of this franchise;

13           (2) failed to comply with the provisions of the City Code relating to ground  
14       transportation services, as amended;

15           (3) become delinquent in the payment of any fees or charges required by  
16       law in connection, directly or indirectly, with the operation of the  
17       franchise holder's taxicab business;

18           (4) failed to comply with a correction order issued to the franchise holder  
19       within the time specified in the order; or

20           (5) intentionally or knowingly impeded the city manager or a law  
21       enforcement agency in the performance of their duties.

22       (B) If the city manager suspends this franchise, the franchise holder may submit a  
23       written request to the city manager requesting reinstatement of the franchise,  
24       stating the grounds supporting a reinstatement. After receipt of a request for  
25       reinstatement, the city manager shall inspect the suspended franchise holder's  
26       operation to determine whether the franchise holder has corrected the  
27       deficiency that is the basis of the suspension. The city manager may approve  
28       or deny reinstatement after the inspection.

29       (C) If the city manager denies reinstatement of the franchise, the franchise holder  
30       may file an appeal of the city manager's decision with the city clerk not later  
31       than the 14<sup>th</sup> day after notice of the denial. The city clerk shall place the  
32       appeal on the next city council agenda.

1       **PART 12. FORFEITURE.**

2           (A) The franchise is subject to forfeiture if:

- 3                   (1) the franchise holder is convicted of a violation of a provision of the City  
4                   Code relating to ground transportation services during the period of the  
5                   taxicab franchise;
- 6                   (2) it is shown that the taxicab franchise holder has substantially breached  
7                   the terms of this franchise; or
- 8                   (3) the franchise holder fails to pay an outstanding final judgment against  
9                   the franchise holder that arises out of circumstances related to ground  
10                  transportation service.

11          (B) On receipt of a report from the city manager that probable cause exists for the  
12          cancellation and forfeiture of the franchise, the city council shall hold a  
13          hearing, after a 30-day notice to the franchise holder, to determine if cause  
14          exists to cancel the franchise. If the city council finds at the hearing that cause  
15          exists to cancel the franchise, it may cancel the franchise after the hearing.

16       **PART 13. FRANCHISE CONDITIONS**

17           The franchise holder shall, no later than [10 days before the effective date of this  
18           ordinance], provide the following to the Public Works Department:

- 19           (A) proof of insurance as required by Section 13-2-34 (*Insurance Required*) of the  
20           City Code;
- 21           (B) demonstration of ability to receive calls for service at franchise holder's  
22           dispatch facility;
- 23           (C) demonstration of ability to dispatch calls and communicate with franchise  
24           holder's taxicabs at franchise holder's dispatch facility; and
- 25           (D) demonstration that each authorized franchise permit is assigned to a vehicle  
26           meeting the standards described in Chapter 13-2, Article 3, Division 5  
27           (*Vehicles and Equipment*) of the City Code.

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**ATTEST:**